

CREDIT BUREAU INFORMATION PACKET

August 1, 2000

This Information Packet includes the following sections:

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All correspondence and/or inquiries regarding this Information Packet must reference "Credit Bureau Proposal".

Any technical clarifications or questions should faxed to Terri Kristalsky, fax (962 6) 560- 3599 or emailed at tkristalsky@amir-jordan.org.

Thank you for your cooperation.

For Chemonics International: _____
Stephen P. Wade, AMIR Program Director

1. INTRODUCTION

- 1.1. Chemonics International Inc. (hereinafter referred to as AChemonics®), acting for the AMIR Program (hereinafter referred to as AAMIR®) requests proposals from companies or individuals (hereinafter referred to as "Respondent" or as the "Manager") to own, develop, manage and operate a Private Sector Credit Bureau (hereinafter referred to as "Credit Bureau" or "Bureau" or "Project".)
- 1.2. BACKGROUND: A Credit Bureau is an organization that provides information to merchants or other businesses relating to the credit worthiness of their customers. Credit bureaus may be private enterprises or operated on a cooperative basis by the merchants in one locality. Users of the service pay either a fee based on the amount of service and/or a flat membership charge.

The primary function of many of the very early credit bureaus was to maintain a list of

customers who were considered poor risks. As the use of consumer credit grew and the population became more mobile, credit bureaus were established to exchange credit information on which to base decisions on whether to grant credit.

Their sources of information include the banks, merchants or other businesses that have granted a customer credit in the past, his employment record, his landlords, public records, newspapers, and direct investigation.

- 1.3. The specifications for the Bureau to be developed should be based on the Supporting Data supplied in section 10.
- 1.4. All documents related to this tender must be in English and all costs must be expressed in Jordanian Dinars.
- 1.5. The successful respondent must be a citizen or legal resident of, or a legal business organized under the laws of Jordan, and therefore the respondent should indicate this in making its proposal. The successful respondent must undertake to directly perform or manage all of the functions necessary to implement the project as defined in its proposal.
- 1.6. Following successful conclusion of request for, and evaluation of, proposals and of negotiations, Chemonics will issue a Memorandum of Understanding (hereinafter referred to as the AMOU®) covering all of the terms and conditions under which the project will operate
- 1.7. The following services are requested from the respondent;
 - 1.7.1. Implementation of project immediately upon receipt of award.
- 1.8. Selection Process:

2. SUBMISSION OF PACKETS

- 2.1. The respondent must submit one original technical and financial proposal defining:
 - 2.1.1. The Respondent must submit one original technical proposal defining the proposed operations of the Credit Bureau (as defined in "The Proposal below), and one original financial proposal defining the proposed capital investment required to develop the project and the costs/revenue expected over the first 6/12/24/36 months of operations, along with two (02) copies of each proposal.
- 2.2. The completed technical and financial proposals must be delivered to Terri Kristalsky, AMIR Program, 66 Abdul Hameed Badees Street, Shmeisani, (tel. 566-1831, ext 39; email tkristalsky@amir-jordan.org) on or before 4 pm, XXXX, 2000. Proposals received after this date shall be rejected and returned to the Respondent.
- 2.3. Two complete sets of the proposal shall be submitted in English, Typed in Times New

Roman, font 12 and bound.

- 2.4. The proposals must be valid for a period of ninety (90) days, starting from the issue date of the solicitation letter.

3. THE PROPOSAL

Respondents must submit their technical proposal and financial proposal as defined below. *Proposals not submitted as specified shall be rejected and returned to the Respondent.*

- 3.1. **Respondent Criteria:** Respondents to the Solicitation letter must address the following evaluation criteria in their response:

3.1.1. Experience:

- ◆ History in the establishment and success of new business enterprises especially where patience and substantial ‘front end’ investment was required.
- ◆ Displays an entrepreneurial approach to business that reflects ability to make and adapt to change based on changing market conditions.
- ◆ Proven track record as a manager and business leader both internally and externally.
- ◆ Has had experience in the extension of credit to consumers for goods and/or services or is able to draw on resources who can provide that experience.
- ◆ Has had experience in building any type of database.

3.1.2. Business Skills

- ◆ Strong communication skills with an ability to identify the key decision makers within the constituent group that would potentially contribute information to and use the products and services of the Credit Bureau.
- ◆ Has the network and ability that would allow him to arrange ‘in person’ interviews with the most important of these potential information suppliers and users of the Credit Bureau.
- ◆ Has the ability to convince potential information suppliers to share their information with suppliers or is able to direct his staff to this success.
- ◆ Displays a sound understanding of Credit Bureau development, operations, and challenges it presents and length of time to build to a mature database with information acceptable to prospective users of the Credit Bureau.
- ◆ Extensive knowledge of business dynamics in Jordan, ie. Controlling interest of primary local businesses and clear understanding of regulatory and legislative processes.

3.1.3. Reputation:

- ◆ A local Jordanian or Jordanians who enjoy excellent business reputations as well as the respect of the local business community.
- ◆ Has solid business and government contacts at the highest levels
- ◆ Can show to be financially sound, can demonstrate financial stability and has the capital to invest in a Credit Bureau recognizing there will be a delay of possibly several years before any ROI is realized.

3.1.4. Management Skills:

- ◆ Ability to recognize and hire personnel qualified to participate in all areas of the Credit Bureau that would include technical, operations, accounting and sales/marketing.
- ◆ Understands the importance of a foreign partner, whether it be an individual(s) or a company, with experience in building Credit Bureau databases from scratch. Is prepared to seek out a foreign partner for assistance in the construction of the Credit Bureau and assistance in the ongoing operation of the Credit Bureau in the near and mid-term or until such time as the Credit Bureau database for consumer credit information reports are mature and acceptable to potential users of the Credit Bureau.

3.2. Technical Proposal

The following items must be addressed in the technical proposal:

3.2.1. Recommended Ownership and Management Structure

- ◆ Shareholder structure
- ◆ Board of Directors
- ◆ Management Control

3.2.2. Recommended Financial Structure

- ◆ Total capitalization required
- ◆ If foreign partner involved, at what equity ratio
- ◆ If loans are involved, provide details
- ◆ If the project takes several years to “mature”, define capital sources to be employed in the interim

3.2.3. Recommendations re: Foreign Technical Joint Venture Partners

- ◆ Profile of an ideal foreign technical partner
- ◆ Selection Criteria for a technical partner

3.2.4. Recommended Marketing Strategy

- ◆ Recommend marketing policies for collecting data (especially focusing on commitments from banks)
- ◆ Recommend marketing strategy for selling information

3.2.5. Recommended product profiles

3.2.6. Recommended product pricing policy and strategy

3.2.7. Recommend Management and Staffing Structure

3.2.8. Recommended Operating System

- ◆ Assessment of current technical infrastructure
- ◆ Analysis of costs to build an information collection/dissemination system

3.2.9. Recommended inventory of Capital Items (to include but not limited to:)

- ◆ Computer Equipment specifications
- ◆ Software Specifications
- ◆ Office Space

3.3. Financial Proposal

The following items must be addressed in the financial proposal (for a period no less than three years):

3.3.1. Estimated Revenues/Income

3.3.2. Estimated Operating costs

3.3.3. Projected Operating Profit/Loss

3.3.4. Estimated Capital Expenditures

3.3.5. Projected Balance Sheets for the first three years

3.3.6. Assumptions underlying every projected item of revenue or expenditure

4. EVALUATION

The evaluation will be carried out by a team from USAID, AMIR and a private sector analyst appointed for this purpose, and will be based on a points system. The succeeding Respondent will be the one with the highest score.

The following evaluation criteria will be utilized to rate the companies:

Adequacy of the technical proposal maximum possible points = 50

Management team and staff*	10 points
Product Profiles and Pricing Strategy	15 points
Foreign Technical Partner	5 points
Operating System	10 points
Capitalization	10 points

Adequacy of the financial proposal maximum possible points = 50

*The proposed owner/management team may be asked to attend an interview with the review

board.

5. TERMS AND CONDITIONS

The following terms and conditions are not negotiable and must be complied with by all Respondents.

- 5.1. Non-disclosure agreement
- 5.2. The successful packet shall accept the oversight and assistance from AMIR as set forth in a memorandum of understanding.

6. IMPLEMENTATION PLAN

The successful respondent shall implement the plan according to the business plan submitted. Any deviations from the submitted plan may impact the TA and other items supplied

7. NEGOTIATIONS

Prior to the expiration of the validity of the proposal, AMIR will invite for Contract negotiations the successful Respondent, that is, the Respondent which submitted the highest scoring proposal. The aim of the negotiations, which will take from seven to fourteen days, is to reach agreement on all points as defined in this document and to finalize a draft Contract for review and signing by both parties.

In the event of failure to reach agreement on the contents of the Contract, AMIR retains the right to terminate the negotiations and invite the next best rated Respondent for negotiations or to terminate the procurement altogether.

8. USAID ASSISTANCE PACKAGE

The selected respondent shall receive:

- ♦ An In-depth Market Demand analysis
- ♦ Call summaries of over 90 visits with potential data furnishers/users
- ♦ A comprehensive Feasibility Study, Business Plan and other relevant documentation
- ♦ Adequate hardware to house the database
- ♦ The “Jordan Credit Information Bureau Company” name registration
- ♦ A specific URL registration (www.jordancreditbureau.com)
- ♦ Significant Technical Assistance to define the user requirements and architectural specifications for the local software contractor to develop the database including initial programming to link with external databases e.g. the national driving violations database, CBJ bad check database etc.
- ♦ Qualified oversight of the software contractor development and training of staff.
- ♦ Technical Assistance for design and marketing of initial products for sale

Possible supplements may include:

- ♦ Study tour to introduce Manager to international credit bureau operations, possible attendance at upcoming credit bureau conference conferences,
- ♦ Technical assistance for additional product design and implementation
- ♦ Technical Assistance to develop the annual work plan and summary outline of year two and three work plans
- ♦ Undetermined technical assistance award to support qualified need in year one

9. SELECTED PROPOSAL

The award notification will be made _____ days following the issue of said Solicitation Letter. Notice shall be provided in writing to the selected party.

A Memorandum of Understanding (MOU) will be drafted to set forth the responsibilities of both parties. The MOU will be the governing document during the course of the cooperative period.

10. SUPPORTING DATA

The following information shall be considered when preparing the proposal:

JIM AZIZ to present this information: to include items such as volume estimates, some costs, some revenue ranges, personnel needs etc.